ORIGIN/ACTION

E - 3

RMR	REP	AF
1	1	
ARA	EUR	
10	3	4
NEA	CU	INR
2		5
E	P	IO
		5
L	FBO	AID
3		12
	SP 1	MC 1
AGR DOT 8	COM	FRB
INT	LAB	TAR
TR	XMB	AIR 5
ARMY 3	CIA 20	NAVY 3
OSD 3 9	USIA C	NSA 3
Cab 4	FAA	5

DEPARTMENT OF STATE

AIRGRAM

AN 4 IT-US R
XR AN 9 IT-US

FOR RM USE ONLY

A-1154
NO.

DECLASSIFIED

RECEIVED
DEPARTMENT OF STATE
JUN 14 8 22 AM 1967
RS/AN
ANALYSIS BRANCH

AN 6 IT

HANDLING INDICATOR

Al Rodriguez

120 actions

TO: : DEPARTMENTOF STATE

INFO: PARIS

FROM: : AMEMBASSY, ROME

DATE: June 12, 1967

SUBJECT: CIVAIR: Tenth Session of US-Italian Civil Air Negotiations in Rome, May 29, 16:30

REF: : Rome's A-1139

EXR

Attached as Enclosure 1 to this airgram is the Embassy's informal record of the tenth - and last - session of the resumed US-Italian Civil Air Negotiations that took place in Rome between May 2 and May 29, 1967.

Attached as Appendix I is the text of the joint communique issued by the delegations at 10 p.m. on May 31.

REINHARDT

DEPARTMENT OF STATE
E MESSAGE CENTER
CONTROL
IN 15 JUN 23 1967

Enclosures: as stated

ATO
BMB

DEPARTMENT OF STATE A/CDC/MR 25 MAY 1995
REVIEWED BY _____ DATE _____
RDS☐ or XDS☐ EXT. DATE
TS AUTH. REASON(S)
ENDORSE EXISTING MARKINGS ☐
DECLASSIFIED☐ RELEASABLE☐
RELEASE DENIED☐
PA or FOI EXEMPTIONS

DECLASSIFIED

Exempt from automatic decontrol

FORM DS-323 4-62

FOR DEPT. USE ONLY ☐ In ☐ Out

Drafted by: ECON:PCNarten/ad

Contents and Classification Approved by: ECON:FBWigginsJr

Clearances:

DECLASSIFIED

TENTH SESSION, MAY 29, 16:40

Ambassador Capomazza: Mr. Assistant Secretary, Gentlemen. Five days ago on the 24th of May, the Italian Delegation presented a compromise proposal for a route exchange to both countries. In that proposal we did indicate, after five months of discussion, a solution of the problem. We made a noble effort by endeavoring to bring the positions of the two delegations as close together as possible. We renounced the route Miami-Panama-South America, after previously giving up Houston and San Francisco. Furthermore, in that document, Italian document No. 6, we made another considerable concession by accepting, in regard to capacity, the Bermuda formula - in spite of the fact that Bermuda principles are foreign to nearly all our bilateral agreements. You are so accustomed to bring home Bermuda formulas that you think it is your right, and you do not give enough weight to the sacrifice this means in the Italian position. You requested time to examine the new proposal and told us you would present perhaps a document yourself after our document No. 6. Then at the meeting on May 25 the US Delegation presented US document No. 6. We did give you a foretaste of our reaction - which was negative - for a very large number of reasons:

First, it did not differ from the previous US proposal. The concessions to my country were limited. They included third and fourth freedom rights to Boston, New York and Chicago and fifth freedom rights to Tokyo via Los Angeles. As a counterpart your route schedule had the usual list of countries without specific points. It is useless to say that Australia and a number of countries in Africa were included, despite the Italian Delegation having insisted firmly and repeatedly that it would be unable to concede those routes.

Furthermore, the US route schedule contained a number of countries and geographic zones to which the Italian delegation has already expressed negative opinions for the reasons just mentioned.

For us, it is not possible to take the US proposal into account for the following reasons:

1) The concessions requested by your route schedule would represent extensions of your operations beyond Italy far more numerous than those being operated today. We should not overlook here that the denunciation came about as a consequence of our need to enlarge the concessions to Italy in order to correct an imbalance in the agreement that you yourself have admitted.

2) A serious evaluation of the route schedule presented confirms the absolute lack of equivalence between the concessions to be granted the two parties. While we would be limited to three points and a single beyond, the US would operate an infinite number of routes beyond Rome.

3) Another little reason: you listed all the points for the Italian carrier beyond Tokyo to Rome. This cannot be taken into account by us, because it was put in for purely visual reasons in an attempt to cover up the obvious imbalance. We asked for a route from Los Angeles to Tokyo; after Tokyo our routes are our business. Once we are in agreement on the substance of the route exchange, we can talk about such visual matters, but we can't take these points as concessions from you.

LIMITED OFFICIAL USE
DECLASSIFIED

DECLASSIFIED

We don't really know how you arrived at this newest and latest offer. Perhaps always through your dollar evaluations. We repeat that without knowing the points and the frequencies of your schedule, which have never been given us, we can't even try to evaluate your route schedule. Even if we should accept a dollar yardstick, our knowledge would be inadequate to express the value of your routes beyond Italy. One has to take into account many factors such as flexibility and your possibility of multiplying routes along a series of bands. This gives a very large possibility to US carriers while the Tokyo route to Italy is a single rigid route through the empty space of the Pacific.

We reiterate, and I am sorry to be repetitious, that our desire is for the routes to be formulated according to normal rules of reciprocity. This applies to third and fourth freedom routes, fifth freedom intermediate points, and fifth freedom beyond points. In regard to third and fourth freedom points, the Italian delegation wishes to underline again that the Italian carrier should be able to serve all US points from which US carriers operate to Italy, whether these rights are used or not.

For intermediate points, your schedule gives us two countries as compared with seven for yourselves. This we regard as purely absurd.

On the problem of all-cargo service, this has been the subject of many studies within our Government. So far there has been no valid theory or experience which would enable us to arrive at permanent decisions. Therefore we have to take into consideration past experience which can give some idea of the traffic needs between the two countries.

We have also presented an alternative agreement on 3/4 freedom lines. I have said and underlined that this would not be ideal, but this proposal of ours has the object of avoiding the interruption of air service between the two countries and would not impede the opening of negotiations or reciprocal concession of beyonds.

Considering that we are now at May 29, this alternate proposal carries great weight because it is quite clear that from now on if we have no agreement, our air relations will have to develop along the lines of reciprocity. This proposal would avoid the political or economic embarrassment of an interruption in traffic.

If it is your desire to have all or nothing, we shall not be afraid of taking nothing.

We sincerely hope we shall get some other proposal in the last two or three days; I can make the last days five or six, but that is all I can do. Otherwise there will be no services between the two countries. I am sorry that I have nothing to add to this very sad news.

Mr. Loy: Mr. Ambassador, Gentlemen, we have listened with great care to your remarks and I think it will come as no surprise that we are disappointed. It is clearer even than before that the gap between our positions is not only wide but it is not getting any narrower.

DECLASSIFIED

DECLASSIFIED

You refer to two documents on the table: your most recent document No. 6 and our most recent document, also No. 6, and I'll just say a word or two about your document. Then I'd like to go back to ours.

With respect to your document No. 6, I guess we indicated our reaction to it right after it was presented to us, and said it would not be acceptable or a satisfactory basis from which to work. We have thought that over and I am in a position to say I am sorry but our review of this confirms our original reaction that that document is an unacceptable proposal in our view. I don't think it would be useful to expend our time analyzing why that is so. I will say that it puts us back in a position of bargaining for the right to depart the US. We are not asking you to bargain for that right on your side, and we are not prepared to do it ourselves. It doesn't even technically contain a round-the-world route for us. It starts in Milwaukee and ends in San Francisco technically, but I point that out just in passing. If you want to go from Bari to Rome that is your sovereign territory and you can do it when you want to.

Your document doesn't even cover what we presently operate, and it certainly does not give any degree of flexibility to take care of what may arise in the next twenty years. You can see from these discussions how reluctant we are at the idea of having to negotiate any change in intermediates and beyonds.

Your document does not include Africa, Australia, Pakistan, Manila, nor does it even permit us to fly to Istanbul and Ankara on the same flight, which I understand we now do. On your side, it contains a route structure that is in terms of size larger than we think possible or fair for us to consider.

Turning to your discussion of our document No. 6, I must in all honesty say there are parts I understood very well and that I have sympathy with in the sense that they are points you have indicated great interest in serving or eliminating, that are not reflected in our schedule. That is an area in which the delegations can communicate effectively. Maybe we can't solve the problems but we should be able to communicate about them. The other areas are not in this category:

First, you suggest our document did not differ from the earlier one. It did, and we pointed out how it did. You suggested that you are unsatisfied that you have two intermediates and we have seven. We tried to explain that we are prepared to entertain suggestions about other intermediates and although we tried to elicit some, we did not do very well. You suggested that aside from Africa and Australia, it contained countries and zones to which Italy had objected; if so, I don't know quite what you mean. We have previously said that if there are such points, we'd like to know what they are and we would try to do something; I don't know if we would be successful but we would try.

You said something about points versus countries, and I again ask, if you really are trying to come to an agreement, if you want to bother with this. How many airports are there in Burma? Rangoon and Mandalay? Do you think we want to serve

DECLASSIFIED

DECLASSIFIED

Isfahan? I don't know quite what it is - unless it is a tactical manouver - that we are talking about.

On your discussion of a route via Japan, our feeling has been that you have said two things to us: one we want a route around the world, and two, you have said that routes must be described with particularity, and you expect to serve that route around the world. We can make changes in the particularities if you want them. We of course would be perfectly prepared to have open beyonds but I won't put it out as a useful suggestion because I know how you feel about particularities. Certainly, if you want a route around the world and with the way you want the rules of the game, it must be set up that way or otherwise you cannot operate. So I would certainly admit that the precise listing of countries beyond Tokyo is an exercise in speculation on our part. However, we have invited you to supply your own list, and that invitation was not accepted.

Lastly, I want to deal with the whole bugaboo of reciprocity. First of all, let me say that even your document No. 6, if I read it correctly, does not contain reciprocity as I have understood you to explain it just now. I just point that out as a starter. I am still troubled by your structuring your position around a concept which is so artificial, that you don't even reflect it in your own proposal. Let me say that we don't have reciprocity even with the UK, even though we have a columnar setup. Even with them it is not reciprocal point to point. We don't have reciprocity with Germany, France, or Japan, and although I am not fully acquainted with the relations they have with each other, as far as I know they don't have that kind of reciprocal deal with each other.

Just in case there is any confusion, let me say again that we are prepared to make and have come here with the specific purpose of making an agreement that has fairness and reciprocity. In commercial agreements, fairness and reciprocity are determined by monetary values. This is true here as it is true in other kinds of agreements.

Well, maybe some of that is new, maybe most of it is old, but it does strike me that we have spent a long time discussing "the routes". The US delegation thought in good conscience that the route grant made and the adjustments made in document No. 6 formed a basis for a route agreement. I guess you don't think so, or at least that is how I read your statement today. I don't think under the circumstances that it would be useful to us to make any new suggestions and we don't have any. We reiterate our belief that our document No. 6 is a serious document in which we have gone a long way to solving our problems. In it are notes indicating our willingness to make adjustments and to substitute points to make it a useful document for Alitalia operations. We think close examination of the document would be most useful - and maybe the only possible - way to come to an agreement on the route issue.

My colleagues advise me that I did not deal with one point you made: that is, what you call a third and fourth freedom agreement. I guess I did not say anything because I have said all I can. We have reviewed it most carefully. As I said

DECLASSIFIED

DECLASSIFIED
LIMITED OFFICIAL USE

several days ago, your own action in denouncing demonstrates that there are some agreements that are just not of interest. We don't think that this agreement is fair or in our interest. It is a distortion of the pattern of progress with other countries, where we are increasing, and not decreasing, our routes. It is a step backward and it is not an acceptable alternative for us. I think I explained last time some of our reasoning behind that, so I will spare you that.

Ambassador Capomazza: Mr. Assistant Secretary, Gentlemen, I'd like to answer a few things you just said. I do not really attribute much importance to this exercise, but I do think that at least for the record certain reactions should be registered especially at this late stage of our negotiations.

You have said you had come a long way with US document No. 6 to meet our requirements. We have, actually, given up various things that were not put in the previous request as bargaining points but which we on the contrary considered important. A choice of Los Angeles or San Francisco; Houston; the very important route from Miami to Panama and on to South America, (a route that was offered to us, I must remember - but I am sorry, that was off the table). Will you please quote me one thing you have given up after five months of discussion. By the way, in the list of the things we have given up is capacity. That should not be taken lightly. Will you name one line, point, principle or structure that you have given up? Please answer.

Mr. Loy: Yes, I'll be happy to. I would like to say first that quite frankly we are aware of the fact that you have eliminated certain requests that were previously shown. But the full importance of that is a little hard to measure since your starting point was - you will pardon the expression - somewhat arbitrarily picked. Even at this late stage I don't think we understand that you have presented us with an approach to a route exchange that would permit us to say what you had firstwas fair, or what you ask now is fair, or what we offer is fair. Supposed you had asked for 300 points in the US, and were now offering to drop 200 of them. Is that a giant step toward agreement?

Except for your discussions about reciprocity - a concept which, however, when applied in a point counting way would be unfair - there is no meaningful way to measure your concessions. That is the trouble: we are engaged in a commercial exchange and you won't talk values. So we are in trouble right away.

With respect to your specific question: we entered with the US having open intermediates and beyonds. We have substantially reduced this. We entered with the Italian carrier having a certain level of operation. We have substantially expanded that - "substantially expanded" is an understatement. We have met the primary Italian requirements: a) better earnings, and b) an around-the-world route, and you sit there and say we have not moved. This is really no surprise since that was your attitude when we first brought it up. You act as though it is a gesture without political importance; that is an untenable position.

DECLASSIFIED

DECLASSIFIED

Although we have said ten times that the agreement is already unbalanced, we also dropped part of one of our beyonds - the key part - by dropping South Africa and Rhodesia. In response to your desire to reduce our flexibility east of Rome we also knocked off eight or so countries.

It seems to me you are caught in the numbers game if you are going to count the number of concessions. Maybe around-the-world is counted as only one. That is childish. That is not a way to assess whether that is an important concession. If you would consult your colleagues - those engaged full time in aviation matters - they would tell you it was an enormous concession even though it is only one. It is ludicrous to say, quite aside from the other things we are prepared to do, or have done, that we have given up nothing.

Ambassador Capomazza: I would like to take up the argument from a different angle. The Assistant Secretary said a moment ago that we are sort of fixed on the bugaboo of reciprocity.

Mr. Loy: Only a particular kind of reciprocity.

Ambassador Capomazza: I am thinking with respect to your agreements with other countries. You say we should look at other countries. We have no difficulty recognizing that with all the other countries you have the lion's share. But with some of these countries they have found compensation in what is given them for what they gave you. There is no visual reciprocity in any of those agreements but there has always been a reciprocity of dollar value or of politics or other convenience that incited them to sign with you.

What is the magic of a generous agreement on your part? It permits us to solve all the problems you have been citing one by one, structure, columns, points in your country - naturally, in an agreement convenient to Italy, we would close our eyes, but in a stingy agreement we can't be so forthcoming.

It is not a question of counting points - I am not as childish as that. A round-the-world may be counted twice but for Alitalia it does not have all that value. It is far from home and of no immediate interest, but we don't underestimate it on that side. But the whole package is insufficient so other things come up like structure, points, etc.

You speak of intermediates. We find it ridiculous that you have seven to our two, but we would not bother with this. We could consider the problem solved, we might even make an agreement with open intermediates - if they were really intermediates and not north or south.

I asked you specifically what you had dropped. You schooled me on how the negotiations had proceeded, saying we have told you what you have to drop. I asked

DECLASSIFIED

DECLASSIFIED
LIMITED OFFICIAL USE

Varalda to try to find the countries you had dropped between your documents 4 and 6. They were such interesting places as Yugoslavia, Afghanistan, Taiwan, Libya, Malawi, Zambia, Southern Rhodesia and South Africa. So what really is the step forward you had made in giving a manageable size to your request. We understand you have a point of departure "beyond Rome", but now we have in the necessity of structuring and indicating in a more precise way the routes beyond Rome to be exercised by you.

There is another question I would like to make. You say the 3/4 freedom agreement would be more restrictive, and you don't like restrictions. But you also know that fifth freedom traffic is additional traffic, and when you deny to us the possibility of 3/4 freedom traffic, you show a very slight interest in having an agreement at all with us.

My question is therefore very appropriate at this time. How do you see our air relations after the first of June? That would help clarify the discussions we are having now. By the way, may I give you a little present? These maps are very interesting, as maps are very visual. (The Italian Delegation delivered a group of maps showing comparative route grants between the US and Italy, Japan, UK, France and Germany.)

Mr. Loy: Mr. Ambassador, I appreciate your delivering to us those maps. I know why you do it and I know you think they prove your points. I don't know whether at this stage you will take me seriously, but this relates both to the maps and to what you have been saying:

I give you my personal word of honor that our point of beginning and our point of conclusion in all these cases is an exchange of values of the very same kind we have been talking about. We have not devised a magic formula to rob Italy of what properly is her possession under an agreement with us. Sometimes we do better than even, and sometimes worse. It is not true that we normally get the lion's share. Our carriers would love it but it is not true. With the UK we do somewhat better, with Germany we do somewhat worse, with France we are somewhat close, and with Japan we are somewhat ahead. In all cases the differences are not great. In the deal we have proposed with Italy, by the same measure, Italy would be substantially ahead. The maps are geographic representations of deals we have made with other countries, where the mutual aim has been to make an agreement where the carriers of both sides have equal opportunities to make money. These maps show a route via Anchorage in the same color and thickness as via Los Angeles to Tokyo, but that does not make them equal in value, importance, or need.

I want to stress that under the proposal we make, the gap in favor of Italy would be larger than that of any country now beating us - and obviously much larger than all the others since the gap is in the opposite direction - and again I stress that the imbalance comes after we have carefully made our estimates using the general theory of Civilavia, because we did not want to start these very important negotiations with problems due to the difference in the factual basis under which we operate.

LIMITED OFFICIAL USE DECLASSIFIED

DECLASSIFIED

In all these cases we have been making agreements under a policy that you call bankrupt. But we have negotiated hard, and those countries are living and thriving under that policy. There are no capacity controls for passengers or freight, there are satisfactory beyonds widely described, and there is a prosperous state of air relations. If that is bankruptcy, it is a very pleasant form of bankruptcy. I don't want to be polemic but I want to stress this point. We negotiate our international agreements on a uniform basis. We don't always manage to come out even - sometimes we are ahead and sometimes we are behind - but we aim for value equality. In the Italian case we are behind and that limits our ability to move. I have explained this but I want at this late date for this to be clear.

How do I see our air relations after June 1? It is certainly not totally clear. We take note of the fact that your Government decided that it did not want to live under the present agreement. We have made what we consider an extraordinarily fair proposal that would make it possible for Italy to sign, and you have been unable to accept it. You have made certain proposals that we have found unacceptable. So it seems that after June 1 there will be no agreement.

We have sixty-two bilateral agreements and we have a fairly strong policy - although it is not universally applied - of not exchanging air services without an air agreement. This policy is 21 years old. You said earlier today that if we are not able to come up with a new proposal to get us out of this fix, air services would have to cease.

After June 1 it would have to be a matter for your Government to determine unilaterally. While we have certain legal regulations that would take a short while, we would have to decide unilaterally on the same question. We clearly do not relish the idea that there would be no services between our countries - that is not good airline business and it is not good politics betseen friends - but it is not the end of the world.

And I certainly agree with you that at this stage, unless new proposals are made to get us over this hump, there will be no new agreement; in the absence of extending the old agreement, contemplating cessation of services would be a factor with which we would have to deal.

(10 minute recess)

Mr. Loy: Mr. Ambassador, I don't know what to say or where to go. I think I have answered the question you posed as best I can, but I don't have much more to say.

Ambassador Capomazza: I thought you had asked for the recess because you had something to say. I would like to clarify a point which your great ability as a lawyer has attempted to change, so I want to make clear our position. Why have we proposed a 3/4 freedom agreement? Because we don't have so strict a policy that we can't fly without an agreement. We can fly without an agreement. This we have always thought. We want to make an agreement, but if we don't, a 3/4

DECLASSIFIED

DECLASSIFIED
LIMITED OFFICIAL USE

freedom agreement would permit air relations to continue either in the form of a formal 3/4 freedom agreement or in a sort of bilaterally unilateral form while the two governments searched for a new agreement. We have also said that if we stop, we stop.

But if the US has a more rigid policy, and no one can fly, all right. If the US thinks it is not dignified to fly without a new agreement, then we accept it, but it is your decision. We can call a press conference to say this - if services stop it is your decision. We want that to be quite clear. One of the first things we talked about in Washington was a formal exchange of notes to make customs arrangements in case there were no agreement. Now we suddenly hear that we don't fly, failing agreement. You are clever but not as clever as to change the facts.

Mr. Loy: Mr. Ambassador, I am not sure this is a misunderstanding. I think I understand you on that issue quite well. An agreement between governments as between persons represents a bargain that both find to their advantage. You have said the current bargain is not to your advantage and therefore you do not want it. The bargain you propose in substitution is not in our interest. There is not a meeting of the minds and substantial desires. When you lack a common basis for an agreement that calls in question whether you should exchange services at all. Certainly, according to what you say, you are no different from the US. We propose a form of agreement you find unacceptable, and you propose a form we find unacceptable. We tried to spell out precisely in our Note Verbale our procedures and they will have to govern, but we don't expect you to live with a situation you do not like and you have given strong indications you are not prepared to live with it. We feel the same way.

All this would trouble us more if we did not feel we had tried hard by our standards to present the basis for an agreement. We did, at least as we see it. That being so, we think we can face the future feeling we have done the right thing. We recognize Italian pride in its airline, and that it has become one of the major airlines in the world, relying heavily on the US market, and we made a proposal that we feel would further that progress. But if it is unacceptable, the consequences will have to follow.

Ambassador Capomazza: Mr. Assistant Secretary. Since we have to see what to do next, I leave it up to you to decide whether it would be useful to have another meeting tomorrow morning or afternoon, or if you think the chiefs of the two delegations should meet and establish a record of the points of agreement and disagreement - to prepare an agreed minute of these long negotiations, which I hope we can take up again later to be translated into an agreement.

We are ready to meet tomorrow if you have any new ideas. I really do not see what we will do. You have been saying you saw certain points in our presentation. I don't know if you have in mind something that would move the negotiations. If you wish to meet only to establish the points of disagreement, that also would be useful.

DECLASSIFIED
LIMITED OFFICIAL USE

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLS 93-3/1
By cr NARA, Date 1/26/94

Mr. Loy: Mr. Ambassador. I have to say it would be hard to put down the points of agreement and disagreement because we have studiously avoided discussing so many of the issues we have to discuss. On the question of routes, which is what we are thinking about, it seems the last documents tabled would be the last positions we could record. It certainly would be desirable - in the sense of nailing down or making firm the points of agreements that were reached in the talks - it would be desirable to have a memorandum of that sort, but I don't know if there is enough substance for such a memo. I don't rule it out, but it would be hard to write. If you think it would be worthwhile we would be prepared to try. Perhaps we can ask the members of our delegations to see if they could achieve that. I think it is a tough job. On routes I have a notion we have those on the table.

With respect to your second point - should we meet again - I think if we are unable to come to an agreement we should discuss a joint statement or communique. It would be useful to meet to discuss that. Maybe other things flow from our inability to agree. I am prepared to meet tomorrow afternoon if you think that would be useful. That is all that I can see from our side that there is to say.

Ambassador Capomazza: I see both as necessary: a record of disagreement, and a communique. It can't end just like that. We have to establish the documents necessary to our job. Would you like to have the whole delegation meet? You decide.

Mr. Loy: I don't think we could do a resume of agreements or disagreements in such a large group. I suggest that one or two on each side get together to see if that document will write. With respect to the communique, I am prepared to deliver a draft and receive yours, and perhaps a full meeting is not necessary. But we are prepared to have one if that is the easiest way to consider that.

Ambassador Capomazza: Well, there is no difficulty in our preparing two draft communiques with the understanding that we will read them and see if we can agree on a communique. That we will have to see. We would like to see your draft with no previous understanding that we now agree on the idea of a joint communique.

Mr. Loy: That is acceptable to us.

Ambassador Capomazza: For this other work, what do you think?

Mr. Loy: On the other question I would be prepared to ask Mr. Rodriguez and one other gentleman in my group to meet with members of your delegation tomorrow in mid-morning to see if they can develop such a document.

Ambassador Capomazza: I suggest they meet at the Foreign Ministry with Caruso and Varalda at 11:00.

Enclosure: Appendix I

DECLASSIFIED
E.O. 12356, Sec. 3.4
NLS 93-3/1
By cr NARA, Date 1/26/94

DECLASSIFIED
UNCLASSIFIED

APPENDIX I
Enclosure 1
From: Rome
A-1154

JOINT COMMUNIQUE

Representatives of the Italian Government and of the Government of the United States of America have been engaged in consultations to negotiate a new agreement governing scheduled commercial air services between the two countries.

The new agreement was intended to replace the present Air Transport Agreement, which will expire on May 31, 1967 as a result of its denunciation by Italy.

It has not been possible for a new agreement to be reached prior to the expiration of the present agreement, and the discussions have been discontinued.

The termination of this agreement has removed the present legal basis for air services between the two countries by their respective air carriers. Accordingly, each Government may , in light of its applicable laws and civil aviation policies, determine whether and under what conditions such services should be permitted. In the meantime, no immediate effects on scheduled flights of Italian and U.S. carriers are foreseen at present.

Both delegations express the hope that it will be possible, in the near future, to resume conversations in order to arrive at an agreement satisfactory to both countries.

UNCLASSIFIED
DECLASSIFIED